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MEMORANDUM OF CONVERSATION

TIME: Tuesday, 1 April 1952, 10:00 A.M. to 12:00 M,
Yale Club, New York City

PRESENT: Mr. Harvey Bundy - (Former Assistant Secretary of State
and Coauthor of Hoover Commission
Task Force Report on Foreign Affairs)

PURPOSE: To get Mr. Bundy's views on single vs. multiple personnel systems

1. Mr. Bundy was given a brief resume of the past year's activities
with respect to the Career Service Program in CIA, the Career Service
Committee and its several Working Groups. He was also told that [redacted] 25X1A9A

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[redacted]
He was told that the discussions with respect to career were limited to
regular government employees, including those overseas under nominal cover,
and would not include deep-cover personnel. In response to his query, he
was told that the number of persons involved in the discussion was of the
order of [redacted] persons. He was advised that the number of employees was
highly classified, and he recognized that all discussion which was to follow
was to be considered classified.

2. He was told that the matter on which General Davison wished his
advice had to do with the problem of

- a. whether to have a multiple personnel system with three separate
categories for professionals (officers), technicians and clerks,
or
- b. whether to have a single personnel system without such defined
categories.

3. Mr. Bundy said that he had just finished reviewing the Hoover Commission
Task Force Report in order to refresh his mind and that he was well aware of
the developments in the Department of State since that Report was made, i. e.,
the Rowe Committee Report and the Departmental Improvement Plan. He said that
he had recently talked with Mr. Dean Acheson and had asked him why the recom-
mendations of the Hoover Commission and of the Rowe Committee had not been
adopted by the Department. He had also had correspondence with Mr. Rowe,
Chairman of the Rowe Committee, on this subject. Mr. Acheson had told him
that the recommendations had not been adopted for purely pragmatic reasons,
e. g., that the Hoover Commission plan to amalgamate the Foreign Service and
the Departmental Service would have resulted in the Department of State losing
60 per cent of its personnel, this loss being mainly in the category of De-
partmental Service employees who would refuse to agree to serve overseas.

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4. Mr. Bundy did not elaborate on the discussions with Mr. Rowe who was apparently much upset at the failure of the Department to carry out the recommendations of that Committee for simplification of the personnel system. He told Mr. Rowe, however, that practical considerations made it necessary for the Department to adopt a compromise plan short of the ideal.

5. Mr. Bundy was quite positive that it would be undesirable to set up any categories of personnel unless gains to be achieved from so doing substantially outweighed the obvious disadvantages. In response to his query, he was told that present estimates showed that the proportions of the various categories would be:

Professional	50%
Technical	15%
Clerical and Administrative	35%

He pointed out the jealousies, stresses and strains that different categories of personnel automatically engender. He said that in the Foreign Service where Foreign Service Officers were publicly known to be such and where international protocol was built on the basis of diplomatic and consular status, such a category as the Foreign Service Officer was a useful device for adding to the public prestige of persons who would devote their careers to representing the United States in an official capacity. However, he was of the opinion that in a situation (such as that in which CIA found itself) where individuals were not permitted to disclose their duties or titles, the erection of categories to convey status, from the point of view of the public, served no useful purpose. He said that in view of the problems that were created by the setting up of separate categories of personnel and the inevitable rivalry and jealousy that would be stimulated, the positive gains would have to be real and demonstrable.

6. Mr. Bundy said that, in his opinion, since categories could only be used internally in CIA, the setting up of the categories would have an adverse effect on the morale of the entire body of personnel. He felt that this would especially be true in overseas areas and he cited examples where the Department of State categories in overseas posts had caused morale problems. He felt that the best builder of morale and esprit de corps for CIA would be that each member would feel that he was a useful member of the team, important in his own right and important for the function which he was expected to perform. In view of the high requirements for security which CIA had, and which, in Mr. Bundy's opinion, were higher than those in any other Government Agency including the Department of State, he felt that the division of personnel into categories would have an adverse effect on security consciousness and security performance by reason of the implied or fancied discrimination against those

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who would be classified and placed in a second or third-rank category. He used the expression "each time you refer to someone in the professional or officer category, you kick 25 other people in the teeth".

7. He said that the Department of State was, at present, faced with the necessity of categories because of

- a. tradition
- b. law
- c. international practice.

The Hoover Commission, the Rowe Committee and the Department, therefore, had had to approach the problem with these three factors fully in mind and in balance. Since CIA already had the greatest flexibility and freedom in personnel matters, he felt that the arguments would have to be "extremely persuasive" (that is positive necessity should be demonstrated) before it would be possible for him to believe that the present flexibility and freedom from internal pressure groups and strains should be abandoned. He said that once categories for personnel were created, it would never be possible to eliminate them.

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8. Messrs. Bundy, [redacted] found themselves substantially in agreement. They, therefore, at several times during the course of conversation, attempted to see the other side of the picture. Mr. Bundy said that he felt like a judge who had seen only one side of the argument. At the same time, he could think of no valid reasons for setting up several personnel categories.

9. The general summary of Mr. Bundy's position after the two-hour discussion was:

- a. retain the simplest and most flexible personnel system that you possibly can
- b. make no distinction between officers and technicians, and
- c. set up categories for officers and clerks only if there are real and positive necessities for so doing.

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